

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6085

BILL NUMBER: SB 460

NOTE PREPARED: Mar 20, 2003

BILL AMENDED: Mar 3, 2003

SUBJECT: Eligibility of SSI Recipient for Medicaid.

FIRST AUTHOR: Sen. Simpson

FIRST SPONSOR: Rep. C. Brown

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X

**GENERAL
DEDICATED
FEDERAL**

X

IMPACT: State

Summary of Legislation: (Amended) This bill amends eligibility requirements for assistance for disabled individuals. The bill requires the Office of Medicaid Policy and Planning (OMPP) in cooperation with the Attorney General's office, to contract with an outside vendor to conduct an annual audit of specified areas of the Medicaid program.

Effective Date: (Amended) Upon Passage; July 1, 2003.

Explanation of State Expenditures: *Summary:* This bill makes statute conform with the current eligibility determination practices in the Medicaid program. As such, this provision has no fiscal impact.

The bill also requires OMPP to cooperate with the Attorney General's office and to contract with an outside vendor to conduct an audit of certain aspects of the Medicaid program, including claims processing, provider billing practices, and overutilization of services by Medicaid recipients. According to OMPP, OMPP can use existing contracts to fulfill the requirements of the bill. Consequently, there should be no new or additional costs to the state from this provision.

Background Information -

Medicaid Criteria - Petricia Day Case: On September 29, 2000, the Indiana Court of Appeals issued a ruling in *Humphreys v. Day* that held that an individual who suffers from a disabling condition that could be treated, but who does not receive the treatment because of an inability to pay for the treatment, is "disabled" for purposes of eligibility for Medicaid in Indiana. The Indiana Supreme Court declined to hear FSSA's appeal of the Court of Appeals' decision. According to OMPP, this ruling prohibits the state from denying an applicant solely because the applicant had a disabling condition that might improve with treatment. Prior to this decision, OMPP evaluated the durational requirement taking into account whether medical intervention would ameliorate the condition such that it would not last four years. As a result of this decision,

treatability is no longer taken into consideration and, for all practical purposes, OMPP is currently evaluating applicants based on the SSI medical standards. This bill makes the statute consistent with this practice.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Office of Medicaid Policy and Planning.

Local Agencies Affected:

Information Sources:

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